

DOING MORE WITH LESS IN THE NEXT MFF

Boosting spending at the
intersection of objectives

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INTRODUCTION

Many important spending programs depend on the next Multiannual Financial Framework (MFF) of the EU. In this set of legislation, to be adopted for the 2028–2034 period, the EU defines how public spending through EU funds will be carried out. The current proposal marks **a significant step forward** in strengthening budgetary governance, with [notable improvements](#) in **impact measurement, expenditure tracking, transparency, and the reinforcement of the partnership principle**.

However, there is a well-documented risk that these commitments remain largely declarative and are not fully realised in practice. [Evidence from the European Court of Auditors](#) points to **persistent shortcomings in implementation**, including weak links between funding and results, risks of overestimating contributions to policy objectives, and recurring issues in compliance and control systems. In parallel, [civil society organisations](#) highlight **insufficient and uneven stakeholder involvement** in the design of spending programmes. Stakeholders have welcomed the **principle of non-double-counting for climate-related targets** as a vital safeguard to ensure the integrity of environmental spending. However, [they also point out](#) that the proposed coefficients in the Performance Regulation are often **too aggregate, discretionary, unfounded and prone to exaggerate positive contributions**.

While the framework implicitly allows for certain cross-pillar synergies—such as the combination of green and social objectives which are not subject to double-counting restrictions—it still largely treats objectives such as gender equality, territorial cohesion or resilience in a fragmented way. The current structure does not yet provide the granular tools needed to identify and prioritize **investments that generate multiple benefits simultaneously**. This limitation risks leading to suboptimal resource allocation, where high-impact, cross-cutting interventions are not sufficiently distinguished from those delivering more limited outcomes.

We need our institutions to maximize **the impact of EU spending, going beyond compliance with minimum targets and creating space for more strategic and cooperative approaches to investment**. To this end we propose a series of recommendations to **strengthen the governance structure**, ensuring that multiple stakeholders can effectively shape spending decisions while **embedding guiding principles that support more informed and forward-looking decision-making**. Central to this approach is the idea of measuring and prioritizing those investments capable of delivering across several objectives at once, moving from declarative commitments to operational tools that make these co-benefits visible, measurable and actionable.

Defining co-benefits

The interconnected nature of the current polycrisis requires integrated responses. co-benefits provide a framework to address all critical dimensions considered simultaneously. The priority, therefore, is to systematically identify, prioritise, and scale such interventions within the EU budget.

Concrete examples of cobenefit-generating interventions already exist across Europe and beyond. Investments in **agroecological practices, building energy renovation, and collective ownership models** (such as cooperatives or renewable energy communities) simultaneously advance climate mitigation, biodiversity restoration, social inclusion, and economic resilience. Others like **public transport incentives and cycling infrastructure** do reduce emissions while having clear health and social benefits. Likewise, initiatives supporting the **empowerment of women in rural areas** deliver co-benefits across gender equality, territorial cohesion, and environmental outcomes, both in our countries and abroad.



WHAT'S THERE ALREADY AND WHAT'S MISSING?

The current legislative proposals for the next Multiannual Financial Framework (MFF) that are currently being negotiated already contain a substantial set of principles, obligations and governance mechanisms that aim to guide EU spending towards strategic objectives.

This approach directly responds to **Commitment 53 of the UN Pact for the Future**, which mandates the development of frameworks that complement and go beyond GDP to capture the true dimensions of sustainable development. Furthermore, as emphasized by the [UN High-Level Expert Group on Beyond GDP](#), such indicators must be 'policy-relevant and decision-oriented,' specifically designed to steer budgetary allocations toward long-term well-being, sustainability, and equity.

As seen in the Performance Regulation, this approach is structured in a performance framework that tracks expenditure through a **unified system of intervention areas, indicators and coefficients**, focusing on the share of spending that effectively contributes to EU policy goals, as stated by Article 8 of the proposal [2025/0545\(COD\)](#). This framework is further reinforced by systematic monitoring and reporting obligations (Article 9) and robust evaluation requirements at both Commission and Member State level (Articles 10 and 11) to ensure transparency on the level of achievement at each moment in time.

Importantly, it enhances transparency through a single public gateway (Article 12), enabling real-time access to data on implementation and results. Overall, the performance framework provides a critical evidence base for decision-making, by prioritising measurable impact, improving accountability, and ensuring that EU spending is increasingly oriented towards results, rather than inputs.

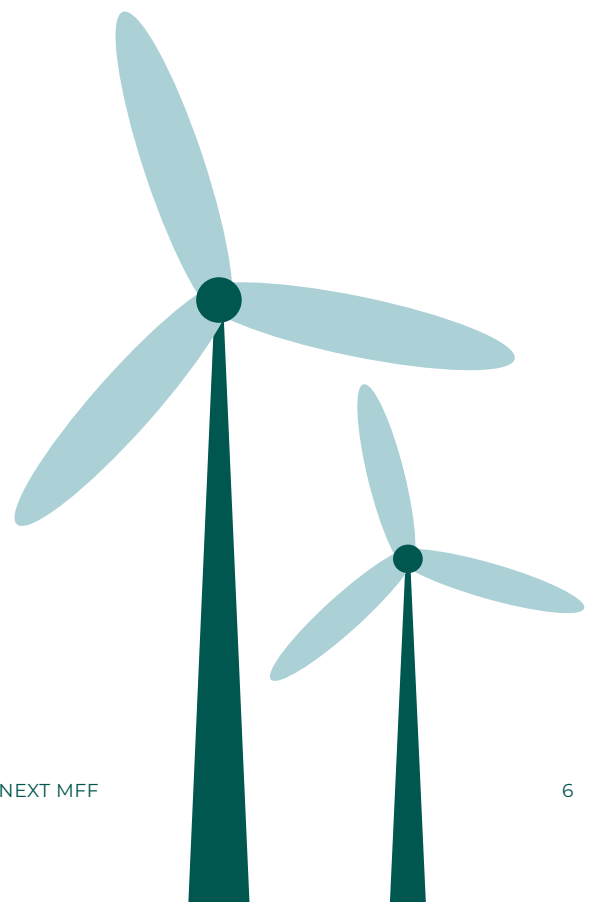
Partnership principle, Coordination Tools and Plan Authorities in the NRPPs

But it is not the only place where relevant matters are developed. The legislative framework governing specific spending programmes introduces a broad and detailed set of requirements that shape how funds are actually planned and implemented. For instance in the NRPPs, Member States are required to design comprehensive plans that are **fully justified, structured and aligned with EU priorities**. These plans must detail concrete measures, **define targets and indicators**, estimate costs, and demonstrate coherence with both national and EU-level policies, taking into account recommendations arising from the European Semester and other sources specified in Article 22(2)(b) of the NRPP proposed regulation.

Member States must define clear institutional arrangements for **governance, coordination and accountability**, ensuring separation of functions and robust financial control systems. They must also establish **monitoring committees**, regulated in articles 54 to 56 in the plan regulation proposal, and reporting mechanisms that allow continuous tracking of progress, annual reporting, and mid-term reviews. Article 6 stresses the importance of the **partnership principle and multi-level governance** ensuring that relevant authorities and stakeholders are present at these committees (at least half of the members must be representatives of civil society, academia, social or economic partners and regional or local authorities). As stated in Article 56 of the NRPPs, these actors must participate not only in the preparation of the plans, but also in their monitoring, where **they hold voting rights** to accept or reject the proposed plans before sending them to the European Commission, ensuring a formal role in decision-making processes.

By bringing together diverse perspectives, it increases the potential to identify interventions that **address multiple objectives simultaneously** and to ensure that **different policy priorities are considered in a coherent manner**.

However, the current framework largely focuses on **ensuring consistency and avoiding contradictions, rather than actively maximizing synergies**. While the proposed structure enables some identification of co-benefits, through the interactions of stakeholders and by setting in place some horizontal metrics, many dimensions are mainly captured on a declarative qualitative basis. Decision-making processes—whether in plan design, project selection or monitoring—are not systematically supported by rigorous quantitative tools or criteria that would **encourage stakeholders to prioritize interventions based on their combined impacts across multiple objectives**.



MAXIMISING IMPACT THROUGH CO-BENEFITS

The current framework clearly establishes the need to ensure **coherence, synergies and a holistic approach** to EU spending. These principles are explicitly embedded across the legislation, which recognizes that **public investment should contribute as effectively as possible to multiple strategic objectives**.

This can be seen in Article 10(1) of the performance regulation: *“The Commission shall carry out evaluations in accordance with Article 34(3) of Regulation (EU, Euratom) 2024/2059 to examine the effectiveness, efficiency, relevance, coherence and Union added value of each programme or activity.”*

As well as in Article 7(5)(b) of the NRPPs: *“close cooperation between the authorities responsible for implementation and control at Union, national and regional levels to achieve the objectives of the Fund and synergies between measures under different objectives of the Fund.”*

But making co-benefits both **visible and actionable** within the budgetary process requires a combination of analytical tools, governance adjustments and alignment with existing policy frameworks.

Developing a co-benefits index

To move beyond one-dimensional sectoral tracking we need a visible **Cobenefit Index** capable of capturing the multidimensional impact of public spending. It could complement the existing performance framework by adding a concrete metric of how different objectives interact within individual interventions. It could also be proposed by plan authorities as they are allowed to come up with new metrics as seen in Article 22(2) (c) of the NRPPs fund which states:

“provide the list and description of measures grouped in chapters, including the general and specific objectives that each of them primarily pursues and the list of envisaged milestones and targets, [...] The indicators proposed for the targets shall be based on the output indicators listed in Annex I to Regulation (EU) 202X/XXXX [Performance Regulation] except where duly justified.”

One way in which this index could be set up would be to simply add all relevant indicators and see whether a given expenditure field has broad effects beyond its maximum contribution to the most prominent one of them. **The higher the score the more co-benefits it has**. For example, an intervention field such as “education programs developing ecological skills” currently has expected contributions of 100% for CCM, 40%

for CCA, 40% for ENV and 100% for SOC. It would score a 280 score on the cobenefit index, making it a visible priority.

For this index to be reliable we must address aforementioned challenges in current tracking systems, such as the reliance on simplified coefficients and the risk of overstating contributions. Specially crucial for measuring co-benefits is expanding the number of independent contributions towards objectives measured in a comparable way (currently at four). By making them more granular, while independent among themselves, it would be possible to measure more non-trivial correlations among them.

We need to **translate other key dimensions into comparable measurements** to be able to easily capture co-benefits between them by adding their scores. For instance, **territorial aspects** are tagged through geographical classifications, allowing some visibility on distribution. Similarly, **resilience and gender equality** are expected to be addressed qualitatively across all programmes, yet they lack a clear quantitative methodology or minimum requirements that would allow their contributions to be systematically assessed in percentage terms. A comparable limitation exists for **environmental objectives**: while climate mitigation and adaptation are tracked with relatively distinct metrics, other environmental goals—such as biodiversity protection or the fit into a circular economy—are not measured with the same level of granularity and are grouped under a broad ENV category, making their specific independent contributions harder to identify and assess.

For a cobenefit index to properly work **all relevant objectives expressed one way or another through the proposals need to be expressed into comparable coefficients**, such as a given percentage score, based on best available science and knowledge. This means in practice gathering **qualitative estimates on the contributions of expenditure fields** for a broader set of parameters than those four already conceived in the Annex I of the Performance Regulation, in line with widely shared recommendations such as those coming from the [Spanish Ministry for Ecological Transition](#) or [Women's rights organizations](#), acknowledged by many civil society organizations.

Integrating co-benefits into decision-making processes

The effectiveness of a co-benefits approach depends on its integration into the governance architecture of the MFF. Beyond measurement, it is essential that co-benefits inform key decisions throughout the budgetary cycle. Such an approach would reinforce the role of the performance framework as a **decision-supporting instrument**, capable of guiding resource allocation towards higher-impact interventions with binding considerations that ensure both minimum compliance and efficiency maximization.

We must safeguard the **partnership principle**, ensuring that the technical recommendations of civil society and specialized institutions are not merely heard but are reflected in the final strategic alignment of the funds. The Delegated Regulation (EU) No 240/2014 establishes a European Code of Conduct for organizing partnerships

in the European Structural and Investment Funds. It already sets out principles such as the **transparent and representative selection of partners**, their **genuine participation** in decision-making (including committees), the need for **open and timely consultations**, and the **strengthening of these actors' institutional capacity to participate**. Furthermore, it promotes the **exchange of best practices among countries** and requires the **evaluation of the role and effectiveness of partnerships** in program implementation.

Having a clear cobenefit index both assists Member States in prioritizing high-impact measures and provides the European Commission with a standardized metric for assessing plan coherence and synergies. This is of crucial importance as the European Commission together with the European Council have powers to participate in committees, to enforce revision before implementation of the plans and even to directly introduce improvements, as stated in Article 23(2): *“The Commission may make observations to Member States and request additional information. In duly justified cases, the Commission may request the inclusion of additional measures or the modification of measures proposed by the Member State...”*

Member States are under a clear mandate to prioritize “multi-solving” investments. They are allowed to incorporate additional metrics beyond those of Annex I, as stated in both Article 22(2)(c) of the NRPPs and Article 14(2)(a) of the Performance Regulation, which states: *“one output indicator defining the final milestone or target for that measure and selected from Annex I corresponding either to the assigned intervention field or, where appropriate, to a different intervention field, or in duly justified cases and in agreement with the Commission an output indicator not included in Annex I;”*

This puts Member States in a unique position to lead the transition toward a co-benefits-driven budget. Failure to internalize these principles risks more than just reputational loss; it creates the potential for administrative friction, such as the lack of approval from monitoring committees or the withholding of funds due to insufficient strategic coherence.

By requiring the consideration of co-benefits in **implementation and monitoring**, managing authorities can refine project selection criteria and foster more inclusive stakeholder deliberations regarding program adjustments.

RECOMMENDATIONS

While the current MFF proposal contains many of the necessary building blocks for a more coherent and performance-oriented EU budget, it lacks **the systematic identification and prioritisation of cobenefit-maximising investments**.

Strengthening the legislative framework

A first set of recommendations concerns **targeted amendments to the main legislative instruments**, particularly the Performance Regulation and the regulations governing NRPPs, as examples of what could also be done in other funds taking into account their own specific considerations (changes [have already been proposed](#) to the governance of the European Competitiveness Fund or to [the Global Europe instrument](#)).

1 Introduce a co-benefits dimension within the performance framework

The current system should be complemented with a methodology capable of capturing the combined impact of interventions across multiple objectives. This could take the form of an index that sits next to other relevant indicators of performance.

Article 4(6) (new)

“A complementary methodology shall be established to assess the combined contribution of expenditure to multiple Union objectives (‘co-benefits’).

This methodology shall:

- a. build on the objectives defined in this Regulation, including climate mitigation and adaptation, environmental protection, biodiversity, social inclusion, gender equality, resilience and territorial cohesion;
- b. provide a synthetic indicator (‘co-benefits index’) allowing the comparison of the multidimensional impact of interventions;
- c. complement, without replacing, the methodology for tracking individual contributions.

The Commission shall adopt implementing acts to define this methodology, ensuring scientific robustness, transparency and proportionality.”

- 2 Member States and agencies developing funds and spending programs should have the capacity to expand the list of horizontal objectives tracked by the performance regulation,** so that co-benefits can feed from a more nuanced and rich pool of metrics.

Article 22(3)(c) (amended)

“[...] The indicators proposed for the targets shall be based on the output indicators listed in Annex I to Regulation (EU) 202X/XXXX [Performance Regulation] except where duly justified. **However, to better align spending programmes with synergistic policy goals, Member States and relevant agencies may expand the list of horizontal objectives and associated indicators beyond those specified in the Annex I. Member States shall provide a brief methodological justification for their inclusion based on best available scientific knowledge.**”

- 3 Mandate Justification for Suboptimal Impact (Article 22):** Where public authorities opt for combinations of expenditure that generate lower overall impact or fewer co-benefits, they should be required to explicitly justify the strategic rationale for choosing some intervention fields over others, including why more synergistic alternatives that have been presented in the design phase of the participatory process were not pursued.

Article 22(3)(b) (new)

“During the design phase of expenditure programmes, where the chosen allocation of funds across intervention fields generates lower overall co-benefits than more synergistic alternative combinations presented during the participatory process, Member States shall provide a reasoned justification. This justification shall detail the strategic, economic, or technical rationale for the selected allocations and explicitly address why the alternative combinations were not pursued.”

- 4 Weight co-benefits in Selection Criteria (Article 51):** Managing authorities must integrate the potential for multi-dimensional synergies directly into their project evaluation and award criteria. This ensures that the generation of co-benefits is a primary weighting factor, alongside transparency and non-discrimination, during the selection process.

Article 51(2) (amended)

Add:

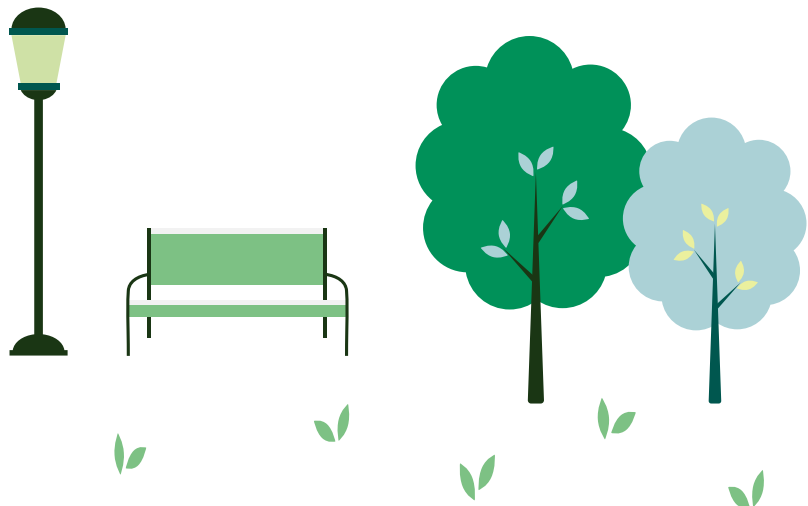
- d. “the potential of operations to generate co-benefits across multiple Union objectives, which shall constitute a significant weighting factor in the selection process.”

- 5 Expand the Mandate of Monitoring Committees (Article 56):** Beyond tracking isolated targets, monitoring bodies should be mandated to evaluate the delivery of integrated outcomes. In the absence of standardized indicators, these committees must have specific reporting requirements to assess how effectively programs are capturing cross-cutting benefits.

Article 56(1) (amended)

Add:

- h. “assess the extent to which programmes deliver integrated outcomes across multiple objectives, including through co-benefits indicators.”



- 6 Strengthen the role of non-institutional stakeholders on Monitoring Committees (Article 55):** To comply with the requirements of Delegated Regulation (EU) No 240/2014, the partnership principle must be reinforced through timely access to data and targeted capacity-building support. This ensures that all partners, regardless of their size, can contribute to the design and monitoring of plans on an equal footing.

Article 55(2) (amended)

“The composition of the monitoring committee shall take into account the chapter or the chapters of the Plan the monitoring committee is responsible for, **ensuring a balanced representation that enables meaningful participation beyond a purely formal exercise.** The composition and size of the monitoring committee shall enable the committee to carry out its work efficiently and effectively. **To this end, Member States shall ensure that all members, particularly smaller civil society organisations, are provided with the necessary time, technical capacity, and financial support to engage effectively.**”

- 7 Strengthen Procedural Safeguards for Alternatives:** Grounded in the partnership principle, governance frameworks must ensure that high-impact alternatives proposed by stakeholders are formally considered. Decision-makers should be required to explicitly address and evaluate these proposals, especially when they demonstrate superior systemic value compared to baseline plans.

Article 6(4) (new)

“Member States shall ensure that proposals submitted by stakeholders are formally assessed. NRPPs shall include a summary of such proposals and a reasoned explanation of their consideration, particularly where they demonstrate higher co-benefits.”

Article 22(4)(a) (new)

“Member States shall systematically identify and assess alternative investment options. Where alternatives demonstrate higher co-benefits, their non-selection shall be duly justified.”

Beyond specific legislative changes, the EU should leverage existing governance structures to steer national spending more effectively. Specifically, the European Semester and the Competitiveness Coordination Tool should be utilized to guide Member States toward investment portfolios that offer the highest possible overall impact.

Introducing a co-benefits metric across the governance cycle

A central operational recommendation is the development and integration of a **co-benefits metric** across different stages of the budgetary process, with varying degrees of obligation depending on the stage and the actors involved. By requiring managing authorities to address external proposals, the budget process ensures that the partnership principle functions as a genuine mechanism for optimization.

- 8 Member States should be required to include a comprehensive co-benefits assessment for every major measure proposed in their operational plans (Article 22). To move beyond mere administrative compliance, this assessment must explicitly reference and evaluate the alternative options or integrated solutions put forward by the various stakeholders within the **Monitoring Committees**.

Article 22(3)(a) (new)

“For each major measure, Member States shall include a co-benefits assessment based on the methodology established under the Performance Regulation.

This assessment shall:

- i. identify contributions across relevant Union objectives;
- ii. assess interactions and synergies between those contributions;
- iii. compare alternative options, including those proposed through the partnership process.”

- 9 Publishing co-benefits assessments through the EU’s **single transparency portal** would enable external scrutiny by civil society, academia and citizens, strengthening democratic oversight (Article 64).

Article 64(1)(e) (new)

e. “co-benefits assessments of measures included in the plans.”

CONCLUDING PERSPECTIVE

Ultimately, the challenge is not only to ensure that EU funds are spent correctly, but that **they maximize the Union's core strategic objectives**. In a context of limited resources and multiple, interdependent crises, **every euro must be leveraged to simultaneously advance** the green and digital transitions, strengthen social resilience, and bolster Europe's strategic autonomy and competitiveness.

Embedding co-benefits into the governance of the MFF offers a practical and scalable way to achieve this. In situations where a certain expenditure is critical but does not maximize predefined objectives, the rationale behind this choice must be explicit, so that it is **less likely that co-benefits are ignored** without any valid reason.

By making multidimensional impact visible, measurable and actionable, the EU can move from a system that manages trade-offs to one that **actively creates synergies**—unlocking the **full transformative potential of its budget** in a time where it is most needed.



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